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MONTANA LEGISLATIVE HISTORY

Chapter 356 19 89

Bill H _____ S 326 Original bill & history ___C

H. Committee on Business & Economic Development		S. Committee on Taxation	
Hearing Date(s) Mar 13	✓ C	Hearing Date(s) Feb 08	✓ C
_____	___C	Feb 09	✓ C
_____	___C	_____	___C
_____	___C	_____	___C
Date Out Mar 13	✓ C	Feb 09	✓ C

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

SB 325 INTRODUCED BY YELLOWTAIL, ET AL.
COMPENSATE ARTS COUNCIL FOR SERVICES AND TRAVEL

2/02	INTRODUCED		
2/02	REFERRED TO STATE ADMINISTRATION		
2/04	FISCAL NOTE REQUESTED		
2/10	FISCAL NOTE RECEIVED		
2/10	HEARING		
2/11	FISCAL NOTE PRINTED		
2/13	COMMITTEE REPORT--BILL PASSED		
2/15	2ND READING PASSED	50	0
2/17	3RD READING PASSED	46	4
	TRANSMITTED TO HOUSE		
2/21	REFERRED TO STATE ADMINISTRATION		
3/15	HEARING		
3/15	COMMITTEE REPORT--BILL CONCURRED		
3/18	2ND READING CONCURRED	57	31
3/20	3RD READING CONCURRED	58	40
	RETURNED TO SENATE		
3/27	SIGNED BY PRESIDENT		
3/27	SIGNED BY SPEAKER		
3/28	TRANSMITTED TO GOVERNOR		
3/30	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 385 EFFECTIVE DATE: 10/01/89		

SB 326 INTRODUCED BY YELLOWTAIL
ALLOW REFUND OF GAS TAX ON BULK KEYLOCK OR CARDTROL PURCHASES

2/02	INTRODUCED		
2/02	REFERRED TO TAXATION		
2/04	FISCAL NOTE REQUESTED		
2/08	HEARING		
2/08	FISCAL NOTE RECEIVED		
2/09	FISCAL NOTE PRINTED		
2/09	COMMITTEE REPORT--BILL PASSED		
2/11	2ND READING PASSED	29	12
2/14	3RD READING PASSED	35	12
	TRANSMITTED TO HOUSE		
2/21	REFERRED TO BUSINESS & ECONOMIC DEVELOPMENT		
3/13	HEARING		
3/13	COMMITTEE REPORT--BILL CONCURRED		
3/15	2ND READING CONCURRED	69	14
3/16	3RD READING CONCURRED	85	10
	RETURNED TO SENATE		
3/22	SIGNED BY PRESIDENT		
3/22	SIGNED BY SPEAKER		
3/23	TRANSMITTED TO GOVERNOR		
3/28	SIGNED BY GOVERNOR		
	CHAPTER NUMBER 356 EFFECTIVE DATE: 3/28/89		

SB 327 INTRODUCED BY KEATING, ET AL.
EXEMPT CERTAIN AGENCY ACTIONS FROM REQUIREMENTS OF MONTANA ENVIRONMENTAL POLICY ACT

2/02	INTRODUCED

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB326, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act making keylock or cardtrol purchases eligible for gasoline tax refund; and providing an immediate effective date.

FISCAL IMPACT:

Current law provides for a qualified agricultural applicant to receive a 60% refund of the applicable tax on gasoline purchased as evidenced by bulk delivery notice. The proposal would extend eligible evidence for this refund to include keylock and cardtrol purchases.

This bill is not anticipated to impact expenditures or revenues.

Ray Shackleford 2/7/89
RAY SHACKLEFORD, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Wm Yellowtail 2/8/89
BILL YELLOWTAIL, PRIMARY SPONSOR DATE

Fiscal Note for SB326, as introduced

SB 326

cocaine. They have conducted a training course at the law enforcement academy and done training for over 300 officers across the state in the drug enforcement area. He presented a fact sheet on coal severance tax projected income to the committee members (Exhibit #8).

John Connor, County Prosecutors Services Bureau, Department of Commerce, said the County Attorneys Association is very much concerned about the future of the Criminal Investigation Bureau. There is no better way to preserve the lifestyle that is so important to everyone here in Montana than to continue the successful drug enforcement program that is performing such incredibly important services for the counties.

Senator Del Gage, District 5, said he has worked with the Department of Justice in the drug area for three sessions and said there is a real need to give the funding for this program a permanent base. He said the protection of the people is the first responsibility of government and what greater need is there than to protect our state from the onslaught of drug traffic that is proliferating in this country.

There were NO OPPONENTS.

Questions From Committee Members: None

Closing by Sponsor:

Senator VanValkenburg closed said he sincerely wants to shower Attorney General Racicot with praise and give solid bipartisan support to his programs. Providing a stable base of funding is essential to keeping a competent criminal investigation section working to protect the people of the state. He said this is not an inappropriate decision for the Taxation Committee to make when tax dollars are being spent on important and essential programs such as this.

HEARING ON SENATE BILL 326

Presentation and Opening Statement by Sponsor:

Senator Yellowtail, District 50, sponsor, said the bill refers to the section of the law that permits a gas tax

refund for off road use. He said the bill arose from the frustration of a farmer who can use the cardtrol service in town more conveniently and less expensively than bulk delivery to his farm as he lives only a mile and half from town. Because he doesn't have it delivered bulk, he can't get the lower rate even though he is a bona fide farmer and off road user.

List of Testifying Proponents and What Group they Represent:

Harold Utey, Cenex
Ron DeYoung, Montana Farmers Union
Steve Viscon, Montana Petroleum Dealers Association
Ted Neuman, Montana Council of Cooperatives

List of Testifying Opponents and What Group They Represent:

None

Testimony:

Harold Utey, Cenex, expressed support for the bill and in the interest of time said his sentiments were the same as expressed by Senator Yellowtail.

Ron DeYoung, Montana Farmers Union, said bulk fuel is cheaper and if farmers can pick it up in their own tanks in their pickups it is a fair and reasonable approach to the situation. He urged the committee to support the bill.

Steve Viscon, Montana Petroleum Dealers Association, expressed support for the bill.

Ted Neuman, Montana Council of Cooperatives, said the bill is an appropriate piece of legislation. If it is cheaper for some farmers to buy their fuel in town it extends the courtesy to those who do not buy bulk but still use the fuel for off road agricultural purposes.

There were NO OPPONENTS.

Questions From Committee Members:

Senator Gage wondered how often this would be used.

Senator Yellowtail felt there would be limited usage limited to those who live close to town.

Senator Mazurek wondered about the control factor.

Senator Yellowtail said the 60% provision should cover that portion of fuel that is consumed by on road use. Also, there is form that must be signed for off road use and the refund is applied for at a date following the purchase. Gasoline is sold with tax, diesel without. However, if you pull into a station and fill your vehicle with diesel, the tax is assessed.

Closing by Sponsor:

Senator Yellowtail closed by saying he wants he bill to apply to fuel that goes directly into the vehicle as well as to storage tanks carried in the truck.

ADJOURNMENT

Adjournment At: 10:00 a.m.

Bob Brown
SENATOR BOB BROWN, Chairman

BB/jdr

MIN208.jdr

ROLL CALL

TAXATION COMMITTEE

51st LEGISLATIVE SESSION -- 1989 Date 2/8/89

NAME	PRESENT	ABSENT	EXCUSED
SENATOR BROWN	X		
SENATOR BISHOP	X		
SENATOR CRIPPEN	X		
SENATOR ECK	X		
SENATOR GAGE	X		
SENATOR HAGER	X		
SENATOR HALLIGAN	X		
SENATOR HARP	X		
SENATOR MAZUREK	X		
SENATOR NORMAN	X		
SENATOR SEVERSON	X		
SENATOR WALKER	X		

Each day attach to minutes.

it has been clear that this interest is taxable and there has not been any litigation as a result of it being on the books.

Questions From Committee Members:

Senator Mazurek asked Mr. Miller if he had mechanical or policy concerns about the Sub S election provision and how it works.

Mr. Miller replied said the problem is the affirmative election out of Sub S status. He felt the time lines give a latitude of up to a year and 60 days of time when the Sub S status is in question. He said there just needs to be some real clarification between the electing out and the notification procedure and timeline.

Senator Eck asked Mr. Miller if sees a real significant loss of income to the state as a result of changing the interest provision.

Mr. Miller replied DOR estimates it will result in a revenue loss of $200,000 to $250,000 per year.

Closing by Sponsor:

Senator Gage closed by saying he would work with Mr. Miller and others interested in the bill for further clarification.

EXECUTIVE SESSION

DISPOSITION OF SENATE BILL 326

Discussion:

Norris Nichols, Administrator, Motor Fuels Tax Division, Department of Revenue, said this bill results in clarification and the Department has no problem with it.

Amendments and Votes: None

Recommendation and Vote:

Senator Halligan MOVED SB 326 DO PASS. The motion CARRIED unanimously.

SENATE STANDING COMMITTEE REPORT

February 9, 1989

MR. PRESIDENT:

We, your committee on Taxation, having had under consideration SB 326 (first reading copy -- white), respectfully report that SB 326 do pass.

DO PASS

Signed: _____

Bob Brown, Chairman

Rep. Johnson asked Mr. Johnson what prevents the bank now from requiring written agreements? Mr. Johnson said there was nothing that would prevent this.

Rep. Simon asked Mr. Johnson if in the case of Rep. Wallin calling you from Denver asking for credit and he was at the top of his credit line, if you felt he was creditworthy and you gave him verbal assurance to increase his credit, would you not feel morally bound? But under this bill you would not be legally bound would you unless you had the agreement in writing? Mr. Johnson said in a case like that we might have a problem. Rep. Simon asked Mr. Bennett the same question. Mr. Bennett said that Rep. Simon was right, they would not be legally bound by the verbal agreement.

Closing by Sponsor: Sen. Brown said in closing that he thought the committee gave the bill an excellent hearing and in closing said the bill was introduced to avoid some of the problems that the opponents brought before you today.

HEARING ON SENATE BILL 326

Presentation and Opening Statement by Sponsor:

Sen. Yellowtail, Senate District 50, today I am presenting this bill which has to do with the gas tax refund presently in law for off-road use. Bonafide agricultural operators are allowed to use a 60 percent estimate of bulk delivered gasoline use for the estimating of use refund. This arises from the frustration of a farmer in my district who lives within a mile of town and finds it convenient to simply drive his farm vehicles into town, fuel up at the cardtrol pump whether it is early in the morning or late in the evening whenever he happens to be working and go directly back to the field. The law seems to be unclear and he has a bit of difficulty in claiming the off-road refund for his cardtrol purchases. This bill will simply clarify the law and make it certain that he can claim on the basis of the cardtrol receipts the 60 percent refund. My intention of this bill is that this be for fueling from the cardtrol pump directly into the operation tank on the vehicle.

Testifying Proponents and Who They Represent:

Ted Neuman, Montana Council of Cooperatives

Proponent Testimony:

Mr. Neuman stated that cooperatives dispense large amounts of fuel to the farmers and they support this bill.

Testifying Opponents and Who They Represent:

None

Opponent Testimony:

None

Questions From Committee Members: None

Closing by Sponsor: Sen. Yellowtail said that the bill would have a small impact as it affects a small group of people. I hope you give it a favorable vote.

EXECUTIVE ACTION
DISPOSITION OF SENATE BILL 326

Motion: Rep. DeMars moved BE CONCURRED IN.

Discussion: None

Amendments, Discussion, and Votes: None

Recommendation and Vote: SB 326 BE CONCURRED IN unanimously.

DISPOSITION OF SENATE BILL 138

Motion: Rep. Nelson moved BE NOT CONCURRED IN.

Discussion: None

Amendments, Discussion, and Votes: Rep. Thomas said he in no way wanted to speak in favor of this bill at this point but I do want to propose an amendment on page 3, line 13, strike $10,000 and insert $50,000. It would be my intent that should the bill come to the house floor one way or another that this bill have a higher threshold that $10,000. Rep. Pavlovich said that the credit card companies wanted $100,000 and yet you bring it down to $50,000. Rep. Thomas said he repeals the $50,000 and insert $100,000. The amendment DO PASS.

Rep. Hansen moved the amendments by American Express.

Rep. Simon made a substitute motion to TABLE the bill.

Recommendation and Vote: SB 138 TABLED 10-5 vote.

ADJOURNMENT

Adjournment At: 11:05 a.m.

REP. BOB PAVLOVICH, Chairman

BP/sp
5803.min

DAILY ROLL CALL

BUSINESS & ECONOMIC DEVELOPMENT COMMITTEE

51th LEGISLATIVE SESSION -- 1989

Date 3 13 89

NAME	PRESENT	ABSENT	EXCUSED
PAVLOVICH, BOB	✓		
DeMARS, GENE	✓		
BACHINI, BOB	✓		
BLOTKAMP, ROB	✓		
HANSEN, STELLA JEAN	✓		
JOHNSON, JOHN	✓		
KILPATRICK, TOM	✓		
McCORMICK, LLOYD "MAC"	✓		
STEPPLER, DON	✓		
GLASER, BILL		✓	
KELLER, VERNON	✓		
NELSON, THOMAS	✓		
SIMON, BRUCE	✓		
SMITH, CLYDE	✓		
THOMAS, FRED	✓		
WALLIN, NORM	✓		
PAUL VERDON	✓		

ROLL CALL VOTE

BUSINESS AND ECONOMIC DEVELOPMENT COMMITTEE

DATE 3/13/89 BILL NO. SB326 NUMBER ____

NAME	AYE	NAY
Bob Pavlovich		
Bob Bachini		
Rob Blotkamp		
Gene DeMars		
Bill Glaser	X	
Stella Hansen		
John Johnson		
Vernon Keller		
Tom Kilpatrick		
Lloyd McCormick		
Thomas Nelson		
Bruce Simon		
Clyde Smith		
Don Steppler		
Fred Thomas		
Norm Wallin		
TALLY	15	____

Sue Pennington
Secretary

Bob Pavlovich
Chairman

MOTION: Rep. DeMars moved be concurred in.

Rep Steppler will carry

STANDING COMMITTEE REPORT

March 13, 1989

Mr. Speaker: We, the committee on Business and Economic Development report that SENATE BILL 326 (third reading copy -- blue) be concurred in .

Signed: _____
Robert Pavlovich, Chairman

VISITORS' REGISTER

Business COMMITTEE

BILL NO. SB 138 326 DATE 3/13/89

SPONSOR B. Brown Yellowtail

NAME (please print)	RESIDENCE	SUPPORT	OPPOSE
GEORGE T. BENNETT	HELENA MONT. BKRS ASSN	X	
FRANK W. SHAW	GREAT FALLS NORWEST BANK GREAT FALLS	X	
F.H. BUCK BOCES	MONT. CHAMBER HELENA	X SB138	
JOHN ROSS	BILLINGS	X with Amendment	
CHIP ERDMANN	MT LEAGUE FIN INST	X	
Phillip B Johnson - Dir -	Montana Bankers Assoc	X	
Donald Ude	CENEX	X SB326	
Ed NEUMAN	COUNCIL OF COOPERATIVES MT PET MARKETERS	X SB 326	
Grant Quick	Box 848 Helena Northern Plains Resource Council		X SB138

IF YOU CARE TO WRITE COMMENTS, ASK SECRETARY FOR WITNESS STATEMENT FORM.

PLEASE LEAVE PREPARED STATEMENT WITH SECRETARY.